GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4
ANSWERED ON:10.08.2007
FRAUDULENT MONEY WITHDRAWN FROM ACCOUNTS
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of a gang which withdrawing money from bank accounts by changing the names and addresses in the cheques and DDs by using special chemicals;

(b) if so, the details thereof;

(c) whether the members of such gang have been arrested;

(d) if so, the details thereof;

(e) whether the Government has taken precautionary measures to check such forgery; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Reserve Bank of India (RBI) has reported that they have no information of a gang withdrawing money from bank accounts by changing the names and addresses in the cheques and DDs by using special chemicals.

(b), (c) & (d): Do not arise.

(e) & (f): RBI as a part of its supervisory process has been sensitizing banks from time to time about common fraud prone areas, modus operandi of frauds and the measures to be taken by them to prevent/reduce the incidence of frauds in banks. RBI has issued circulars to all commercial banks on several occasions cautioning them to be more careful in the transactions involving collection/realization of drafts. On receipt of fraud report from banks, RBI advises the concerned banks to report the case to CBI/Police, examine staff accountability and complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the systems and procedures so that frauds do not recur.